Mortgages—the bubble bursts?

As someone once said, I will believe there is a crisis when the bankers start jumping off their skyscrapers. By now, thanks to the Bank of England and your taxes, that prospect is still far away.

In the UK, as in many western countries, the price of housing has spiralled out of control. This has been one of the motors of economic growth, as families could cash on the rising prices. The assumption is that once you are on the property ladder prices will only go up and you will be making thousands of pounds every year. Every time the owner of a home remortgages or sells to cash in on the increase of the price, banks and state agents are earning on the difference as well. This leads to a fictitious cash availability based completely on speculation. But there's nothing real behind it to support it, other than some people agreeing on a change of price, and that's why there is a bubble.

Coupled with the opening of the Asian markets with their very low wages (often getting pretty close to slavery, as in China) and low prices, this has fuelled a consumerist wave of ipods, plasma TVs and the like. Because no one wants to miss out on the good times even those who could not afford this spending level have run up massive debts on their credit cards. And, incidentally, has led to an increase of street crime, as everyone tries to get their hands on the latest must have item.

Spend, spend spend!!

But high levels of debt are not sustainable, and it comes as no surprise that more and more people are going bankrupt every year. Those who are in a stronger economic position will find that this speculative system of making money can go on only as long as the prices keep going up in the house market. If not, you're fucked. But the bubble became so inflated, and there are so many interests involved, that it was out of the question that it could crumble. It was simply not thought possible, until, of course, it happened. That's why everybody in the financial district is soiling their pants with the actual crisis, because they know it can go very wrong.

Another problem is the social implications of it all. And I don't only mean that families can lose their homes, which is very worrying in itself. Also the idea of affordable social housing, which was so important in Britain in the recent past, has been completely dropped, not only from political programs, but also from the social imagination. Very few people are going to push for the amounts of council housing that are needed to escape the crisis when what they are expecting is that the price goes up as quickly as possible. Of course, if councils start building social housing it could mean lower prices in the market. Which is exactly what everyone is dreading.

Scapegoat

The housing bubble has made social housing not an option. This has left a whole layer of working class people fighting among themselves to get their hands on the shrinking sector of council housing, and has created a resentment which is the breeding ground of far right parties. These, like the BNP, are doing an invaluable service to the system, by providing them with scapegoats, people who they blame for the actual troubles, instead of pointing their finger to financial speculation and the lack of social housing.

The whole housing scene is an example of profit replacing reason. As long as it makes money it does not matter what it is. The whole money making machine has been finally detached from any real economy thanks to speculation. Whether this has put the world at the brink of a catastrophic social crisis will be seen in the next few months and years. ★

SUBVERT!

When going on demonstrations stay sober, don't talk to the police and if you're arrested give only your name and address then say "no comment" to any other questions. For more info visit: www.ldmg.org.uk

October

27- Anarchist Bookfair.- Queen Mary & Westfield College, Mile end Road, London E1 10am-7pm. www.anarchistbookfair.org.uk

November

3 - "Bash the Rich!" march on David Cameron's house in Notting Hill, London. www.londonclasswar.org

3 - Gagged! benefit gig - No Choice (nochoice.org), KilnAboy (kilnaboy.co.uk), & Gunrack (myspace.com/gunrackmusic) 8pm, at Le Pub, Caxton Place, Newport, Wales £3 email = info@gaggedanarchist.tk web www.gaggedanarchist.tk

13 - Gagged! benefit gig - Give Up All Hope (giveupallhope.org), AntiMaster (myspace.com/antimaster), Jesus Bruiser (jesusbruiser.co.uk), Threat Manifesto (myspace.com/threatmanifesto) 8pm, Le Pub, Caxton Place, Newport, £3, email info@gaggedanarchist.tk web www.gaggedanarchist.tk

December

8 - National Climate March. 10am, Cycle Protest assembles at Lincoln's Inn Fields. London. 12 noon assemble Millbank for main march [Westminster Tube]. 2.30pm Rally at US Embassy. www.campaigncc.org

The **Anarchist Federation** is an organisation of **class struggle** anarchists aiming to abolish capitalism and all oppression to create a free and equal society. This is **Anarchist Communism**.

We see today's society as being divided into two main opposing classes: the **ruling class** which controls all the power and wealth, and the **working class** which the rulers exploit to maintain this. By racism, sexism and other forms of oppression, as well as war and environmental destruction the rulers weaken and divide us. Only the **direct action** of working class people can defeat these attacks and ultimately overthrow capitalism.

As the capitalist system rules the whole world, its destruction must be complete and world wide. We reject attempts to reform it, such as working through parliament and national liberation movements, as they fail to challenge capitalism itself. Unions also work as a part of the capitalist system, so although workers struggle within them they will be unable to bring about capitalism's destruction unless they go beyond these limits.

Organisation is vital if we're to beat the bosses, so we work for a united anarchist movement and are affiliated to the International of Anarchist Federations.

The Anarchist Federation has members across Britain and Ireland fighting for the kind of world outlined above.

Contact us at:

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WC1N 3XX
Email: info@afed.org.uk
Also visit: www.afed.org.uk
and www.iaf-ifa.org

Subscriptions to **resistance** costs £4 from the address above for 12 issues. A two issue subscription to our magazine, **Organise! for revolutionary anarchism,** is also £4.
You can subscribe to **resistance** by email for free via the website above. ★

For a free humanity, for anarchist communism.

RESISTANCE

ANARCHIST BULLETIN

Issue 97 **October 2007** **Free/Donation**

Oh My Gord!

Gordon Brown may have tippexed Tony Blair out of the New Labour group photograph, but Blairism and New Labour are still very much in the picture. Brown was the co- founder of Blairism itself within the Labour Party. His speeches at both the TUC Conference and the Labour Conference highlighted this. He lectured at the TUC Conference once again on the need for pay restraint to ensure economic stability.

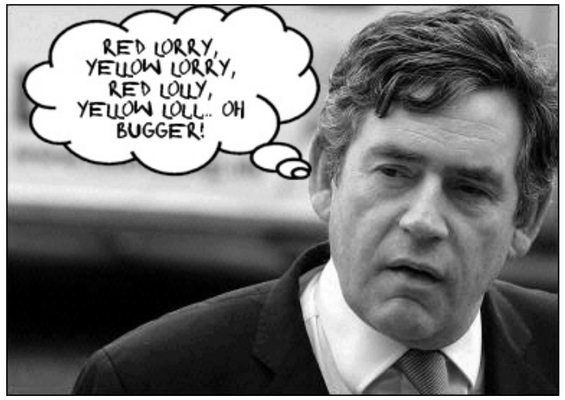
Brown even managed to destroy the Labour Conference as a 'democratic assembly' where members could vote to include extra policy motions for debate, something Blair had never been able to do. He insisted on its abolishing its last few rights to vote down the leadership over controversial issues. The unions had said they would fight this, but gave up easily enough. Any international issue, withdrawal from Iraq, a possible war with Iran, national missile defence, and extraordinary rendition torture flights, was ruled out of order and not discussed.

Brown made much of the visit of Margaret Thatcher to Downing Street. He marked himself as her heir, in the same way as Blair had done. Norman Tebbit, her old follower and defender of Thatcherism within the Tory Party, recognised this.

Figures released last month show that wages are rising at their slowest rate since 2002. With income falling far behind the spiralling costs of housing, food, childcare and fuel, hundreds of thousands are facing a future of debt and insecurity. Figures recently released by the Citizens Advice Bureau show that the number of people seeking debt advice has shot up in the last year, rising by 20 percent to a total of 1.7 million enquiries.

Poor get poorer

These are not just about credit card and consumer debt. People are struggling to pay for basics like fuel and rent. Enquiries about gas and electricity debts, shot up by 33 percent last year. Personal debt is at an all time high, rising by 10 percent in the last year to £1,355 billion. Each household now pays an average of £3,700 interest on their debts every year. This means thousands of families have to pay huge interest payments with no chance of paying off their debts.



Debt has pushed repossessions up by 30% and insolvencies are at record highs. Personal debt has risen by 10%. Meanwhile the top five banks in Britain declared profits of £37 billion for the 2006-7 financial year. While Brown is determined to hold down workers' wages, directors are paid 100 times more than their workers.

City bonuses are up 30 percent this year, reaching a combined total of £14 billion. Within the top 100 companies, bosses' pay averages 98 times higher than that of workers at the same company. Profits across British companies are growing at their fastest pace in almost 13 years. The highest earners are getting their biggest slice of the national income for 70 years. The richest 10% now owns more than half of Britain's wealth.

Browned off

Meanwhile Brown freezes pay rises for millions of workers at 2%. He talks about Britishness, and "British jobs for British workers", whatever that means!

The apparent new offer of free education for low-income students up to the age of 21 is a joke. Brown was a strong supporter of tuition fees for students, which are cutting off higher education to many working class people.

Brown continues to push for more backing for speculators and building bosses in housing. It's the same in the health service and education, where he says that privatisation is the way forward. Brown says he wants a country "not divided by class, but united by aspiration" but he has slashed taxes on business profits in Britain to levels lower than the Tories ever dared, so that a third of the biggest firms pay no corporation tax.

Brown has repeatedly insisted that public sector pay must be kept to around 2.5 percent. He plans massive job cuts across the public sector. He has pioneered attacks on pensions, he plans on continuing with the missile replenishment and with the wars Britain is involved in. He is no different from Blair and plans on continuing along the same route, whilst pretending that he is taking a new direction. ★

ON THE FRONTLINE

Bangladesh

Workers go on wildcat

In September in Dhaka 25,000 garment workers came out on wildcat strike and fought both police and management-hired thugs. Over 50 people, including cops, were injured - some seriously.

The trouble began at the Nasa Group factory. Nasa supply Primark in the UK and Wal-Mart in the USA. They put over an image of being responsible employers.

Nasa workers went on strike for 2 days demanding payment of wage arrears, bonuses and extra holiday allowances. The workers then elarned that the bosses planned to lock them out indefinitely.

The bosses hired thugs who joined forces with hundreds of cops and soldiers against the workers. A large area became a battlefield. Twenty factories were damaged, buses were burned and roads blocked. By early afternoon, the intense fighting had died down.

Since June 2006 the bosses were supposed to provide minimum wages and conditions. The government said it would take action against any employer not complying by September 30th. But only 20% of employers are paying these wages. The government has never enforced similar threats in the past. Unpaid wages and brutal work conditions remain common.

Meanwhile the bosses are trying to claim the strike is all down to foreigners, they said, "this was not an act of general workers ... It may be a conspiracy of local and international collaborators."

Most of the workers in the garment industry are women. They are in a very militant mood. The state and bosses are so far reluctant to push for any decisive confrontation with them. But they refuse to pay the wages they agreed back in June. Inflation in Bangladesh is rampant. Wages that are already less than adequate to guarantee survival. ★

Wales

Strike against racism

South Hook LNG (Liquefied Natural Gas), Milford Haven in Wales workers struck for 26 hours in late September when fellow worker, Omar Mohammed was racially abused on site.

Three hundred men working stopped working and marched on the offices of main contractors, Chicago Bridge and Iron.

Abuse ignored by bosses

Omar Mohamed, a steel erector rigger from Cardiff, said that two workers from another company had made Nazi salutes at him, spoken to him in a mock German accent and spun and pointed a hammer at him as if it was a gun. He claims that he went through the proper complaint channels for nine days, but the matter was "swept under the carpet".

The men called a meeting and marched on the CB&I offices. They refused to work and crisis talks were held with union representatives. The police have now been called in to investigate the complaints and the alleged perpetrator has been suspended.

It was only after this action had been agreed on that the men said they would return to work. ★

Posties

Wildcat in Stoke-on-Trent

Workers at Burslem delivery office, Stoke-on-Trent, went on wildcat strike after twelve members of staff were suspended including all union reps.

Royal Mail management suspended the workers for bullying and harassment, but has refused to comment on the allegations made.

The suspensions come after talks between the CWU and Royal Mail broke down early this week, although the CWU has not yet announced further strike dates and has asked for further talks, despite over a month of discussions producing no agreement.

Royal Mail is pushing through some measures like later start times by "executive action"- without union consultation—it is widely held that these suspensions at Burslem DO, which has been on work-to-rule with several wildcats over the past few months have been timed so that some of the most militant workers will be out of the picture while changes are pushed through. ★

Thanks to Libcom for much of the above news and information. Visit Libcom at www.libcom.org

STRIKE BIKE

The 135 workers of the bicycle factory Bike Systems GmbH in Thuringia in Germany, who keep the factory occupied since 10th of July 2007, decided to restart production of bicycles under workers self-management. The workers are working together with the anarcho-syndicalist union FAU (Free Workers-Union), which created for this struggle the internet page www.strike-bike.de.

For more than two months the workers kept the factory occupied during three shifts. They want to prevent the definite dismantling and sale of the factory. The company filed for bankruptcy in August.

During the occupation and in the wake of discussions during visits from people expressing solidarity, the workers developed the idea of taking up production under self-management for a short time. Because it's not the point to only stop evacuation of the last machinery and to wait for a new investor, the idea of a **"Strike-Bike"** met with more and more response. Now the opportunity arises to develop an own design and to self-manage production and distribution.
The FAU is spreading news about the occupation throughout Germany and beyond

More Information at: www.strike-bike.de for background information and history of the occupation www.labournet.de/branchen/sonstige/fahrzeug/bikesystems.html

To get in contact with the workers and to take orders »Bikes in Nordhausen e.V.« c/o. André Kegel, Bruno-Kunze-Str. 39 - 99734 Nordhausen Telefon: 03631 - 622 124 and 03631 - 403 591
Fax: 03631 - 622 170 email: fahrradwerk@gmx.de ★

TAX: WHAT IT GOES ON

The Royals

According to official figures, the Royal Family costs us £37.4 million each year. But this rises to £150 million per year when security costs, grants, unpaid tax and the local cost of a royal visit are added

The War

The war in Iraq costs around £1 billion each year. The coalition's combined budget, on the other hand, is harder to get a clear figure on. According to figures from the BBC, the war in Iraq is costing British and American taxpayers £2,000 a second.

Parliament

£150 million each year on the 646 members of parliament and their staff, according to the House of Commons. MPs are allowed to draw £87,276 each year for staffing, £20,440 for office expenses and £22,110 for additional costs.

Members of the European Parliament- there are 87 MEPs earn £60,277 each per year and are also allowed £19,500 for accommodation, £2,170 travel allowance and £150 each day they attend parliament. ★

ANARCHIST FEDERATION NEWS

Liverpool

Anarchists of many kinds have played a big role in creating the Liverpool Social Centre (www.liverpoolsocialcentre.org), a permanent, semi-legal(!) venue which opened with a week of events recently. Apart from the obligatory celebration, the Centre was host to Oaxaca and Indymedia Info nights, a Conspiracy Theory evening, and Introduction to Anarchism with a speaker from the Anarchist Federation, a locally-written and acted play and radical film night on the struggle of the working class for education and respect. Each night was well-attended and brought in dozens of new people to the campaigning work of the Liverpool Social Forum, whose centre it is. The venue is open to libertarian, anti-capitalist and non-hierarchical individuals and groups and nights are filling up fast with bookings from youth, feminist, peace and anti-poverty campaigners. The network of social centres is expanding and we welcome this new nail in capitalism's ultimate coffin. ★

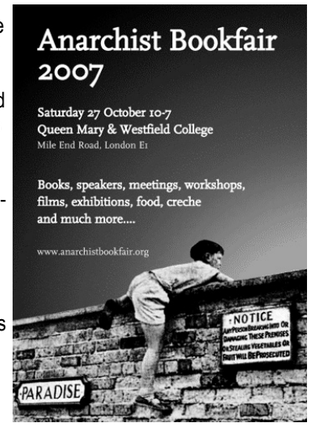
Victory to Fargate

The Fargate Speaker, a local news rag produced by Sheffield Anarchist Federation experienced victory this past month as a campaign against Supermarket giant Tesco proved successful. Tesco had planned to build yet another store in a yet untouched suburb of Sheffield - Walkley. In response to the plans the Fargate team produced and widely distributed a damning, Tesco special edition of the paper highlighting the company's bad record with employee rights, the environment, union-busting and exploitation worldwide. This combined with a sustained campaign by local traders and community activists resulted in over a thousand objections being filed against Tesco to the local council. The plan was thrown out and Tesco(who were so confident they were to get the bid already built a wall on the site), much to the delight of Fargate, were thoroughly kicked out.. *To see the full edition* www.afed.org.uk/sheffield ★

At the Anarchist Bookfair

Every year in October, the Anarchist movement gets together in London for the Anarchist Bookfair.

It's a day that sees just about everyone who describes themselves as an anarchist coming together to discuss, socialize and buy and sell books and pamphlets. The Bookfair has a busy programme of meetings, with something for almost every taste. This year the meetings range from art and culture, though to organizing as health or education workers. Along the way are discussions on such topics as workers councils or sexual politics. There is even an anarchist quiz.



We are hosting two of the discussions on the day. The first is on "The Myth of the Nation—Nationalism and Fascism," the other is on "Why Anarchists Should Organise".

The Bookfair is taking place on Saturday 27th October at Queen Mary and Westfield College, Mile End Road, London E1. The nearest tube stations are Mile End or Stepney Green.

For more information, visit www.anarchistbookfair.co.uk. ★

NORTHERN ROCK

Rock of Ages?

Northern Rock, Britain's fifth largest mortgage lender is in a bad way. The Bank of England has pumped in billions of pounds in order to stop the withdrawal panic at Northern Rock spreading to other banks and building societies.

Mortgage collapse in the USA started a widespread freezing of bank-to-bank lending. While Northern Rock itself has not been directly connected to the sub-prime crash, it could not carry on as it had, borrowing through short-term loans to finance its long-term domestic mortgages. Depositors panicked. They did not believe it when Chancellor Alistair Darling and various financial experts told them they were safe. They withdrew over £2 billion. This was eight percent of the £24 billion deposits that the bank held on September 13. Many closed their accounts. To stop the panic Bank of England said it would protect Northern Rock savers.

The Alliance and Leicester saw its shares fall 31% because its investors started thinking it would have the same problems. It had to issue a statement that it was not seeking help from the Bank of England. Alliance and Leicester has taken part in schemes similar to those that wrecked Northern Rock. HBOS (the Halifax), with 23 million customers throughout the world, and Bradford and Bingley are in the same boat. Before September 17, only the first £31,700 of all deposits at Northern Rock had been guaranteed. To stop the run on the bank, Darling announced that the *whole* of each depositor's money without limit would be underwritten. This guarantee and the Bank of England pledge to extend the emergency credit line to any Northern Rock takeover buyer signalled that Northern Rock would be protected and a discount sale of its assets avoided.

Tender

On September 18, the Bank of England announced that it was providing £4.4 billion in a two-day 'exceptional' tender to the money markets, bringing overnight lending rates down to 6.14%. This worked. Shares in Northern Rock rose by 11%, but those of Alliance and Leicester rose 25%, almost restoring its losses from the previous day. Finally the Northern Rock queues vanished, but only after £4 billion had been withdrawn.

The Bank of England, Financial Services Authority, and the Treasury have begun a review of the banking system to protect depositors' money if a bank collapses, like the system in the USA. That might stop depositors queuing in the street to get at their money, but much of what happens is really out of the control of these bodies and the Government.

While the Government, the Bank of England and the City would never let a bank as large as Northern Rock go under for political and economic reasons, some financial analysts are suggesting that smaller outfits, whose collapse would have little effect on the UK economy individually, might be allowed to go under. The Bank of England could hardly afford to bail out everyone anyway.

In the UK, the City employs a million and contributes 25% toward the UK's GDP. If this part of the economy gives way, then the consequences could be dramatic. Already there are signs that London house prices, which power the UK economy, are falling. ★